

Amendment 79-5  
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April 11, 1979

Attachment 4.11-A  
State Plan Under Title XIX of the Social Security Act  
State of New Mexico  
Standards for Institutions

- A. The standards for institutions are in accordance with 42 CFR 431.610, formerly designated as 42 CFR 450.100; Public Law 92-223 for Intermediate Care Facilities; and Public Law 92-603 as it relates to care in Skilled Nursing Facilities and Intermediate Care Facilities. Standards for hospitals applicable under Part A of Title XVIII also apply to participating hospitals in the New Mexico Title XIX Program.
- B. Recipients Personal Funds Accounts - As a condition for participation in the New Mexico Medical Assistance Program, each SNF or ICF will establish and maintain an acceptable system of accounting for a recipient's personal funds when a Title XIX-Medicaid recipient requests that his personal funds be cared for by the facility. Requests for the facility to care or not care for Title XIX-Medicaid recipients' personal funds will be in writing and secured by ISD Form 386. This form must be retained in the recipient's file.

The Title XIX-Medicaid recipient's personal fund consists of a monthly maintenance allowance established by Department policy. Any income in excess of this allowance is computed according to policy applied, when applicable, towards the cost of the recipient's medical care at the facility. This amount is reported as a Medical Care Credit to the facility on ISD 383 by the County ISD Office whenever applicable.

It is very important that all facilities have definite and clear-cut procedures on the handling of Title XIX-Medicaid recipients' funds. These procedures must not allow the facility to commingle Title XIX-Medicaid recipients funds with facility funds and may be developed along the following guidelines.

1) Fund Custodians:

- a. Designate a full-time employee and an alternate as fund custodians for handling all Title XIX-Medicaid recipients' monies on a day-to-day basis.
- b. Designate an individual other than the persons having day-to-day responsibility to reconcile balances of the individual Title XIX Medicaid recipients' accounts with the collective bank account, to periodically audit and reconcile the petty cash fund, and to authorize checks for the withdrawal of funds from the bank account.

2) Bank Accounts:

- a. Establish a collective bank account for the deposit of all Title XIX-Medicaid recipients' private monies.

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- b. Recipients ~~personal funds will be held separately~~ and not be commingled with facility funds.
  - c. The account may be a regular checking account or an interest-bearing savings account. Unless the bank account accumulates to a substantial amount, a non-interest bearing account would be more advantageous.
- 3) Pro Rata Distribution of Interest:
- a. If an interest-bearing bank account is established, all interest earned must be pro-rated to each Title XIX-Medicaid recipient with funds in the account, and the amount entered in his individual account record.
  - b. For this pro rata distribution, use the balance recorded on the individual ledger account sheet on the last day of the month that interest was earned.
- 4) Individual Recipient's Account:
- a. Establish an account for each Title XIX-Medicaid recipient to record all transactions. It is suggested that this be maintained in a type of general ledger book commonly used for bookkeeping purposes, although a card file or a looseleaf binder may be used.
  - b. For money received: Record the source, amount, and date of all monies received. Issue a receipt to the Title XIX-Medicaid recipient or his authorized representative for funds deposited, and retain a copy for the record. The copy could be maintained in a card file.
  - c. For money expended: Record the purpose, amount, and date of all disbursements to or on behalf of the Title XIX-Medicaid recipient. All monies spent either on behalf of the recipient or withdrawn by the recipient or his representatives should be supported by a receipt or signature on the individual ledger sheet.
  - d. If the individual recipient account reaches \$1,400.00 contact the local County ISD Office for instructions.
- 5) Reconciliation:
- a. Balances of the individual accounts, the collective bank account, and the petty cash fund should be reconciled on at least a monthly basis.
  - b. Provide the Title XIX-Medicaid recipient or his authorized representative with an accounting of his funds on at least a quarterly basis. (A copy of the individual account record would be the most expeditious method of providing statements.)

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6) Petty Cash Fund:

- a. A cash fund specifically for this use should be maintained in the facility to accommodate the small cash requirements of the recipients. Generally five dollars or less per individual recipient should be sufficient. However, the amount of money should be determined by the number of recipients using the service and the frequency and availability of bank service.
- b. Establish a Petty Cash Fund ledger to record all actions regarding these monies.
- c. To establish the fund: (a) Write a check against the collective bank account to the custodian. (b) Cash the check and deposit in locked cash box.
- d. To use: (a) Give the recipient or his authorized representative cash when small amounts of spending money are requested. (b) Enter on the individual ledger record amount disbursed. (c) Have recipient or representative sign on account record when receiving money or issue a receipt with a duplicate.
- e. To replenish: (a) Count the money left in the cash box. (b) Total all disbursements since the last replenishment. (The total of the disbursements plus cash on hand should equal the beginning amount). (c) Write a check against the collective bank account for the amount of the disbursement.
- f. To reconcile: At least monthly (a) Count money on hand; (b) total cash disbursed either from receipts or individual account records; (c) cash on hand plus total disbursements equals petty cash total.

7) Termination of the Recipient Account:

- a. Enter date of termination of account, and state reason for termination.
- b. Write a check against the collective bank account for the balance shown on the individual account record.
- c. Have recipient or his authorized representative sign the individual recipient account record as receipt of payment.
- d. If termination of the account is caused by death of a recipient, notify the local County ISD Office, so that timely action may be taken to terminate assistance.
- e. If the deceased recipient had no relatives, applicable state laws will prevail. The nursing home should consult with its attorney for proper handling of the account.

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8) Retention of Records:

All account records should be retained for at least 3 years or in case of an audit, until audit is completed.

9) Non-Acceptable Uses of Recipients' Personal Funds:

- a. Payment for services or supplies covered under the Title XIX Medicaid program.
- b. Differences in what providers bill and what Title XIX-Medicaid pays.
- c. Payment for services or supplies routinely provided by the facility such as linens and nightgowns.

10) State Monitoring of Recipients' Personal Funds:

- a. All files and records involving recipients' personal funds will be made available for inspection of authorized state personnel or federal auditors.
- b. HED Licensing and Certification Bureau will verify that a facility has a system of accounting for recipients' personal funds that includes the components described above. Failure to provide an acceptable accounting system will constitute a deficiency that must be corrected.
- c. DHS Audit and Audit Agent will accomplish a complete and thorough audit of recipients personal funds accounts on an over-a-year basis.

- (d) Recommendation concerning the appropriate length of any proposed time limited agreement; and
- (e) Prompt and complete information when applications are received for participation, licensure or changes which would affect current accuracy of such information as to ownership, capacity, and category or which affect any provision of an agreement on the term of provider participation.

6. HED shall maintain on file all information and reports used in determining whether federal certification requirements for health care facilities participating in Title XIX as providers of health care services are being met. HED shall provide access to such files by the Department of Health, Education and Welfare and to DHS as may be necessary to meet other requirements under the Title XIX State Plan and for purposes consistent with DHS's effective administration of the Title XIX Program.

B. DETERMINATION OF COMPLIANCE WITH CIVIL RIGHTS ACT OF 1964. HED shall:

- 1. Perform federally required on-site certification surveys of participating health care facilities and shall document provider compliance with civil rights requirements by completion of a civil rights compliance report and shall advise DHS at the time of each certification or recertification of such compliance; and
- 2. Provide DHS a special report on any facility determined not to be in compliance with civil rights requirements, setting forth the basis for such determination.

C. PERSONNEL QUALIFICATIONS. HED shall:

- 1. Provide assurance that personnel performing on-site certification survey or inspection functions hereunder are appropriately classified under the New Mexico State Personnel system; and
- 2. Provide for consultation with architects or the New Mexico State Fire Marshall, as required, for technical interpretation of facility compliance with applicable provisions of the N.F.P.A's Life Safety Code. In addition to providing professional consultation services to DHS upon request,
- 3. To the extent feasible within HED and DHS staffing capability and agency workload HED shall endeavor to work with the DHS medical review team to resolve particular provider problems mutually recognized as hazards to the health and safety of recipients served

3. Identify by appropriate accounting code or other designation, vouchers submitted or other documents representing charges for transportation, meals, lodging and consultant fees attributable to the functions performed hereunder.
4. Provide for allocation of costs attributable to Title XIX in accordance with federal and state regulations for items 2 and 3 above in the event of required attendance at any certification surveyor training course by HED personnel.
5. Provide sufficient state matching funds necessary to secure full federal financial participation in the Title XIX portion of the survey and certification activities covered by this agreement.

F. DELEGATION OF AUTHORITY

DHS specifically delegates to HED its authority for certification surveys and compliance in accordance with federal and state regulations as follows:

1. The performance of certification surveys, re-surveys, revisits and maintenance of appropriate documentation files;
2. The determination of whether and the issuance of permissible waivers;
3. The determination that the health care facilities are in conformance with utilization review procedures in those instances where utilization review has been assumed by P.S.R.O.
4. The determination whether participating health care facilities staffing are or are not in compliance with requirements.
5. The determination of whether any deficiencies or waiverable conditions represent a hazard to the health and safety of the patients served by the facility.

G. REGULATIONS AND INTERPRETATIONS. DHS shall:

1. Provide HED with information concerning proposed and final changes in Title XIX regulations, policies and interpretations, as such information is pertinent to the performance of services rendered by HED hereunder.
2. Furnish HED with copies of the on-site review reports developed by the DHS Medical Review - Independent Professional Review teams.
3. Negotiate required written agreements with recommended certified facilities.

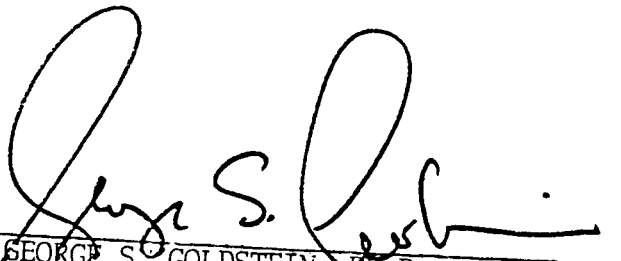
H. ADMINISTRATIVE DISCRETION.

1. DHS retains its sole responsibility for exercising administrative discretion in the administration and supervision of the Title XIX State Plan. Nothing in this agreement shall be construed as delegating to HED any of DHS's responsibility for exercising administrative discretion in the administration or supervision of the Title XIX State Plan, including the issuance of policies, rules and regulations or program matters.
2. In the performance of its functions under this agreement, HED shall not have any responsibility to review, change or disapprove any administrative decision of DHS, or otherwise substitute its judgment for that of DHS as to the application of Title XIX policies, rules, and regulations promulgated by DHS.
3. In any event, federal requirements governing certification of health care facilities as providers of health care under the Title XIX program shall bind both parties.

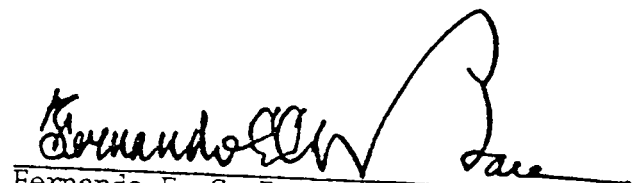
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I. INDEMNIFICATION AND HOLD HARMLESS

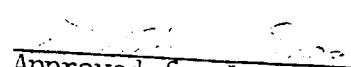
Each party shall be solely responsible for fiscal or other sanctions occasioned by its own violation or alleged violation of federal requirements in the performance of this agreement and shall indemnify and hold harmless the other party therefrom.

  
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GEORGE S. GOLDSTEIN, Ph.D.  
Secretary  
Department of Health & Environment

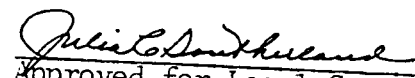
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Fernando E. C. De Baca  
Secretary  
Department of Human Services

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